GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2738
ANSWERED ON:06.12.2001
MODERNISATION OF POWER UTILITIES
NEDURUMALLI JANARDHANA REDDY

Will the Minister of POWER be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned `Rs.20,000 crore plan to modernise power utilities` appearing in the Hindu on October 27, 2001;

(b) if so, whether the Union Government propose to invest several crores in the nextfew years to renovate and modernise the existing power utilities;

(c) if so, the way in which the funds are likely to be mobilized for renovation and modernization of power utilities; and

(d) the extent to which the power production in the country is likely to be enhanced?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Yes, Sir. It is proposed to provide systematic financing for Renovation & Modernisation (R&M)/Life Extension (LE) with an investment of Rs.20,000 crore for old power plants (thermal and hydro) and also for upgradation of sub-transmission and distribution system under Accelerated Power Development Programme (APDP).

(c) & (d) : The Government have launched a new scheme called APDP to provide tothe states necessary financial assistance in the form of grant and loan for the R&M/LE ofthe existing old generating units and also for strengthening of sub-transmission and distribution system including metering. 50% of the project cost is met under APDP in thecombination of half grant and half loan in a non-Special Category State.The utility is to raise balance 50% of the project cost from Financial Institutions. However, projects in Special Category States get 100% financing under APDP in a combination of 90% grantand 10% loan. Further, Power Finance Corporation (PFC) is providing fund for R&M ofpower utilities at concessional interest rates under Accelerated Generation & Supply Programme (AG&SP).An additional thermal generation of 39,000 MU/annum isexpected to be achieved after completion of R&M works during the 10th & 11th Plans. In addition, LE of 140 thermal units (17,000 MW capacity) is envisaged to be achieved for another 15-20 years. Further, the life of about 6100 MW hydro capacity will get extended.